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Letter dated 4 April 2014 from the Permanent Observer of the State of Palestine to the United Nations addressed to the President of the Economic and Social Council

I have the distinct honour to transmit herewith the national report of the State of Palestine regarding the achievement of the internationally agreed goals, including the Millennium Development Goals, for the annual ministerial review to be held during the high-level segment of the 2014 substantive session of the Economic and Social Council (see annex).

I should be grateful if you would circulate the present letter and its annex as a document of the Economic and Social Council, under item 5 (c) of the provisional agenda.

(*Signed*) Riyad **Mansour**
Ambassador
Permanent Observer of the
State of Palestine to the United Nations

* E/2014/1/Rev.1, annex II.

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Annex to the letter dated 4 April 2014 from the Permanent Observer of the State of Palestine to the United Nations addressed to the President of the Economic and Social Council

[Original: Arabic]

Meeting the Millennium Development Goals by 2015: ongoing efforts to address emerging challenges and safeguard achievements

National report of the State of Palestine

Introduction

Focusing on the Millennium Development Goals (MDGs), the present report highlights the main achievements of national development strategies and identifies the obstacles to their implementation, which will require regional and international support. The report also addresses the development challenges that the State of Palestine will face in the coming period.

Fully committed to meeting the MDGs, Palestine drew up a national strategy to meet the Goals by 2015. Pursuant to the recommendations of the High-level Plenary Meeting of the General Assembly on the Millennium Goals, held in New York in 2010, the Ministry of Planning and Administrative Development initiated a process to foster national ownership of the Goals, adapting them, as appropriate, to reflect Palestine's particular circumstances, even though Palestine had already adopted national strategies in that area. The purpose was to formulate detailed policies aimed specifically at meeting the Goals, as opposed to the more general provisions of the national plans and sectoral strategies.

The outcomes and recommendations of the 2010 High-level Plenary Meeting affirmed that national ownership of the MDGs was vital in order to bolster national commitments to achieve the Goals and to ensure that steps to achieve the Goals were tailored to the specific circumstances of each country. This was because the great disparities between countries made it impossible to address the MDGs within a rigid framework. Instead they must be addressed in a flexible manner that reflects the perspective of each country.

Progress has been made towards achieving the Goals over the last ten years, and Palestine has issued four national reports reviewing progress and monitoring the slow progress towards implementation of certain Goals. That dimension has been emphasized in order to improve performance and achieve the desired outcomes. Implementation has been hindered at many stages; the present report will discuss the obstacles in detail and highlight the successes achieved.

All development issues must be addressed from a rights standpoint, including the right to education, the right to health-care services, the right to engage in commercial activity, the right of the present and future generations to clean and safe environment, the right to political participation and, last but not least, the right to development. That perspective requires States and the wider international community to fulfil their duties and responsibilities towards the countries, peoples and citizens of the world. States must not be allowed to shirk their responsibilities towards their citizens, and the international community must uphold its responsibility to create a global environment conducive to development. Its

commitments in that regard include reforming political oversight and economic governance and financing international development.[1]

Methodology of the present report

The present report is the result of an active social dialogue. It was compiled in parallel with the 2014-2016 National Development Plan and National Sectoral and Cross-Sectoral Strategies, which, in turn, drew on a dialogue methodology involving the Palestinian Government, Palestinian civil society, the private sector and relevant international stakeholders over the past few years. The present report draws on the sectoral reviews and the outcomes of the 2011-2013 National Development Plan. It reviews progress, obstacles and challenges, and outlines priorities for the coming stage.

The report also draws upon national reviews of progress on the international development agenda, including the national report on sustainable development under occupation, which was submitted to the Rio+20 Conference, the national report on progress towards implementation of the Programme of Action adopted by the 1994 International Conference on Population and Development, and Palestine's perspective on global development priorities.

It is the outcome of a dialogue between development partners, which culminated in a workshop attended by a wide range of relevant stakeholders, including members of the Government, civil society organizations, the private sector and international agencies working in Palestine.

Progress achieved: a conventional evaluation

Progress towards realizing the MDGs depends on the ability of the Palestinian Government, and of Palestinian society as a whole, to implement development strategies unimpeded by the Israeli occupation. Palestine has made tangible progress towards realizing the Goals in the fields of education, health, gender parity and women's empowerment — all areas over whose variables we have some control. Greater efforts will be needed to sustain that fragile progress, which is threatened by the Israeli occupation, its control of Palestinian land and resources, its creation of an environment that hinders and undermines our work, and its efforts to prevent the realization of the right to development. As regards the remaining Goals, particularly the eradication of poverty and hunger, reduction of inequalities, the creation of decent and productive work opportunities and ensuring environmental sustainability, our capacity to act remains limited because the Government has neither the capacity nor the financial, legal or political means to make progress. Success has therefore been limited and, in certain cases, the situation has deteriorated.

Palestine has made great progress in ensuring universal access to education for all students in elementary education. Nearly all students enrol in first grade and the primary school retention rate is close to 100 per cent.

In health care, Palestine has achieved universal child immunization, communicable diseases have been eradicated and significant progress has been made in improving mental health. However, despite significant improvements in

[1] Palestinian National Authority — Ministry of Planning and Administrative Development (2013), Global development priorities from the Palestinian perspective. Paper submitted to the Arab Development Forum, Amman, 9 to 11 April 2013.

child and infant mortality rates, Palestine has not achieved the international target and is unlikely to do so by 2015. Child mortality had been reduced by 31 per cent by 2010. In the next few years, particular emphasis will be placed on developing prenatal and post-natal health services and addressing the causes of child mortality.

Despite the efforts of the State of Palestine to meet its development objectives and reduce disparities between regions, progress has been limited by an inability to take action in certain areas. This is true of the Gaza Strip, where the ongoing blockade and the geographical and political divisions between the West Bank and Gaza have stood in the way; of the areas categorized as Area C under the Oslo Accords between the Palestine Liberation Organization and Israel;[2] and of East Jerusalem, where Israel is pursuing an intense and comprehensive policy to Judaize the city.

The report highlights the extreme disparities in development between the West Bank and the Gaza Strip. Such progress as exists has been more rapid in the West Bank, and deteriorations have been more acute in Gaza. Area C development indicators have also been comparatively weak.

A multi-dimensional evaluation of development in Palestine

The international community has made considerable efforts to formulate a post-2015 development agenda in which sustainable development plays a crucial role. In submitting the present voluntary report, we believe that we must adopt the same diligent approach. A conventional evaluation of the progress made is not enough, and we cannot focus on details while ignoring the basics, missing the wood for the trees.

International reports frequently describe Palestine's development as miraculous. The country has achieved high development indicators even though it remains under occupation and has not yet been recognized by international community as a fully fledged State. However such an analysis is misleading for the two key reasons. Firstly, superficial evaluations only address certain basic indicators and, secondly, progress remains fragile, unsustainable and largely dependent on external assistance.

In view of the need for focus and objectivity, this evaluation of development in Palestine, particularly with regard to the MDGs concentrates on three levels:

1. The macro level: the State of Palestine within the wider global context;

2. Successes and obstacles in the areas at the heart of MDGs and their common objectives, namely poverty eradication, employment and the environment and natural resources;

3. Specific achievements of the Palestinian National Authority despite its limited powers and resources, including, in particular with regard to education, health and women's empowerment.

[2] Under the Oslo Accords, the Palestinian lands occupied in 1967 comprise three areas, all of which remain under Israeli occupation: Area A, where the Palestinians exercise authority over civilian and security matters, Area B, where the Palestinians exercise civilian authority, and Area C, comprising 62 per cent of the Occupied Palestinian Territory, which is wholly subject to Israeli authority and where the Palestinians exercise no powers.

The macro level: an environment ill-suited for development

It is not possible to assess development in Palestine in the same way as any other country. Palestine is the only country that, for decades, has languished under a classic occupation, which denies the Palestinian people its fundamental right to self-determination within an independent, viable and sovereign State, and hampers its right to development by preventing it from establishing its political and institutional independence and formulating economic, social and environmental policies. This violation is absolute, comprehensive and intrinsically antithetical to development. It must be borne in mind when evaluating the partial progress made, in spite of the occupation, by our people and its Governmental and civil society institutions. That progress is further proof that we are entitled to exercise all our national rights.

A broader conducive environment would have allowed greater progress, including in such areas as poverty reduction and ensuring environmental sustainability, where there have been no tangible achievements. The prolonged occupation has enacted social and economic policies that largely determine the prospects for development within Palestinian society and continue to sabotage progress on the ground. It continues to lay siege to Gaza and limits the impact of economic and social policy in all parts of the country. Military attacks, house demolitions and the destruction of economic infrastructure and crops often reverse any progress made.

The occupation has deprived the Palestinian people of its freedom and constrained its progress in numerous ways. It has perpetuated the impoverishment of large sections of Palestinian society. Palestinian land is confiscated and used to build settlements, in violation of international law. The occupation impedes the movement of goods and people, has geographically split Palestinian lands and deprived the Palestinian people of its resources. Society as a whole has been undermined because, for more than a century, Palestine has lacked security and political stability and, hence, economic and social stability.[3] International bodies have highlighted how the measures adopted by the occupation have affected development indicators in the Occupied Palestinian Territory. The World Bank has attributed the significant downturn in the Palestinian economy to Israel's continuing constraints on the West Bank and the Gaza Strip and a decline in external assistance.[4] That much assumes that Palestinian economic activity can even be described as a truly national economy; key components of other national economies are absent, including an independent currency, internationally recognized State borders, geographical contiguity and the ability of the Governmental to raise revenue.

The Oslo Accords signed between the Palestine Liberation Organization and Israel stipulated that Israel would maintain full control over Area C while the Palestine National Authority would exercise partial control over Areas A and B. Area C constitutes approximately 62 per cent of Palestinian land and is a strategic, developmental and economic resource for the State of Palestine and its citizens. It

[3] Palestinian National Authority — Ministry of Planning and Administrative Development/ Economic and Social Commission for Western Asia (ESCWA) (2009) National Report on Integrated Social Policy in Palestine 1994-2008, Ramallah, Palestine.

[4] World Bank (2011), West Bank and Gaza: Coping with Conflict? Poverty and Inclusion in the West Bank and Gaza; World Bank, Stagnation or Revival? Palestinian Economic Prospects. Economic Monitoring Report to the Ad Hoc Liaison Committee, 21 March 2012.

contains most of the fertile agricultural land, particularly the Jordan Valley, which is known as the breadbasket of Palestine. It is rich in natural resources, including Dead Sea salts, stone, important ground and fossil water resources including the River Jordan, archaeological sites and scenic areas. It is essential for urban expansion, housing construction, infrastructure development, the establishment of industrial areas and other priorities. The World Bank has emphasized that Area C is the key to future Palestinian economic development and concluded that the Palestinian economy loses approximately $3.4 billion annually, equivalent to a third of Palestinian gross domestic product (GDP), because Palestinians are prohibited from accessing Area C. It is estimated that liberalizing economic activity in Area C could increase Palestinian GDP by approximately 40 per cent in the short term.[5]

Quick fact sheet on the area known as Area C in the West Bank — humanitarian concerns

United Nations — Office for the Coordination of Humanitarian Affairs — the Occupied Palestinian Territory

- Israel remains in total control of law enforcement, planning and construction in Area C.
- Some 150,000 Palestinians live in 542 residential compounds, among them 281 compounds located partially or entirely in Area C.
- Some 325,000 Israeli settlers live in approximately 135 settlements and 100 outposts, in violation of international law. The area allocated to the settlements (i.e. earmarked for expansion) is nine times greater than the area that has already been built up.
- Some 5,000 Palestinians live in 38 compounds located partially in the area known as Area C. Those compounds have been declared firing zones for military training purposes, further endangering the inhabitants and increasing their risk of displacement.
- In 2012, the occupation authorities demolished 540 Palestinian buildings in Area C, including 165 residential buildings, with the pretext that they lacked Israeli construction permits. As a result, 815 persons were displaced, over half of them children.
- Over 70 per cent of the residential compounds located entirely or partially in the area known as Area C are not linked to a water network. They rely on water transported in containers at a huge cost. Water consumption in this area has dropped to 21 litres per person per day, or a fifth of the amount recommended by the World Health Organization (WHO).

[5] World Bank (2013), The West Bank and Gaza: Area C and the Future of the Palestinian Economy, http://www.worldbank.org/content/dam/Worldbank/document/MNA/WestBank_Arabic_executive_summary_area_C_sept13_final.pdf.

– Twenty-four per cent of Palestinian residents of the area known as Area C suffer from food insecurity, compared to 17 per cent in the rest of the West Bank.

January 2013

The isolation of East Jerusalem from the remainder of the West Bank has increased the suffering of Palestinians on both sides of the divide. It has hindered social contact and economic activity in both areas and prevented the State of Palestine from providing services to its citizens in Jerusalem. The Israeli occupation authorities persist in their efforts to Judaize Jerusalem and erase its Palestinian Arab identity. They have entrenched their blockade on Jerusalem, which they have isolated geographically, politically, economically and socially from its Palestinian Arab heartland by building the annexation and expansion wall. They have enacted racist legislation targeting Palestinians and pursued a policy of displacement, home demolitions, land confiscation and cons.ruction of Jewish settlements in violation of international law.

Overview of policies aimed at Judaizing Jerusalem

– The occupation authorities control most of the land in Jerusalem and allocate it for the benefit of their settlers. A mere 13 per cent of land is left for use by the roughly 304,000 residents of Jerusalem.

– The occupation authorities have planted 200,000 settlers in Jerusalem, in violation of international law.

– Home demolition: 3,400 Palestinian homes have been demolished since 1967, and demolition has intensified in recent years.

– The granting of building permits to Palestinians is restricted. Only three permits are issued per month, and permit fees are exorbitant.

– From 1967 to 2013, the identity cards of 14,500 residents of Jerusalem have been withdrawn (thereby denying their right to reside in Jerusalem), adversely affecting 20 per cent of Palestinian families in Jerusalem.

– The annexation and expansion wall built by Israel around Jerusalem has isolated 99,000 Palestinian residents of Jerusalem from the city centre, forcing them to travel through overcrowded checkpoints and submit to lengthy searches in order to provide for themselves.

– The poverty rate among Palestinian Jerusalemites is 79 per cent.

– Israel controls education in Jerusalem and is working to Israelize it.

Persistent separation from the West Bank, in addition to the stringent blockade, have created a humanitarian crisis in the Gaza Strip. That situation has made it impossible to harness the resources of both territories to strengthen development

achievements in the State of Palestine, and hindered their integration from a development perspective. The residents of the Gaza Strip account for a third of the Palestinians living in the State of Palestine. At 4,661 persons per square kilometre, the population density of Gaza is among the highest in the world. Refugees constitute 80 per cent of the total population of the Gaza Strip. Displaced in 1948, they are still waiting to return to their homes and recover their property. 43.4 per cent of the residents of Gaza are young persons, and those aged between 15 and 29 account for 30 per cent of the total population.

Overview of the Gaza Strip

- The Israeli occupation authorities have imposed a stringent blockade on the Gaza Strip, killing 2,400 Palestinians in Gaza since 2007, a quarter of them children and women, and wounding 7,700 people. Twelve thousand people were displaced and remain unable to rebuild their homes, which were destroyed by the occupation authorities.
- Despite the economic growth in the Gaza Strip, the situation remains worse than it was in the late 1990s. The per capita share of GDP came to $272 in the third quarter of 2013, a 0.7 per cent regression compared to the third quarter of 2012. The regression is a direct result of the tightening of the blockade.
- Unemployment has risen dramatically, reaching 38.5 per cent by the end of 2013. In 2011, the poverty rate was estimated at 38.8 per cent and the rate of extreme poverty reached 21.1 per cent.
- Despite the rise in educational enrolment rates in the Gaza Strip, improving the quality of education constitutes a major challenge. The Gaza Strip is facing a severe shortage of classrooms, with 76.4 per cent of Government schools and 86 per cent of schools run by the United Nations Relief and Works Agency for Palestine Refugees operating on a dual-shift system of morning and evening school.
- With regard to the health situation, there are 1.4 beds for every 1,000 residents, compared to 1.2 beds for every 1,000 residents in the West Bank. In the Gaza Strip, there is a clinic available for every 10,896 residents, compared to one clinic for every 4,065 residents in the West Bank. These data illustrate the large gap between the two areas. Despite stakeholder efforts, health services in the Gaza Strip continue to struggle with excessive demand and poor quality.
- The residents face up to 12 hours of power outage every day. The grid is unable to keep pace with demand owing to the shortage of fuel required to run the power plant.
- The Gaza Strip faces a dangerous water crisis. It relies on the coastal aquifer, which is becoming depleted; volume is shrinking and salt levels are rising to levels that significantly exceed WHO guidelines. Ninety-four per cent of Gaza water is considered unsafe to drink without treatment. The daily rate of water consumption ranges from 60 to 70 litres per person, depending on the season, whereas WHO recommends 100 litres per person.

– The Gaza Strip faces a waste water treatment problem, with 90,000 cubic metres of raw or partially treated waste water being pumped into the Mediterranean Sea, adversely affecting public health and the fishing industry.

Successive Israeli attacks on the Palestinian National Authority since 2000, and their repercussions, have undermined the development achieved until 1999. The Palestinian economy has contracted, unemployment and poverty have risen to an unprecedented degree, and the activities of national institutions have been paralysed. A large proportion of subsequent development work has sought to confront the direct effects of Israeli military attacks on Palestinian society. Overall Palestinian economic indicators remained below 1999 levels until 2010; per capita GDP for 2009 was roughly 3 per cent below that of 1999.

Along with the military assault on Palestinian society, the occupation authorities built an annexation and expansion wall on Palestinian land, isolating all residential compounds and restricting their movement to a limited number of crossings that are controlled by occupation forces. This, in turn, isolates residents within compounds adjacent to the wall and hinders their access to their lands and to economic resources cut off by the wall. The International Court of Justice in The Hague has ruled in its advisory opinion of 9 July 2004 that the annexation and expansion wall built by Israel on Palestinian land violates international law. The Court has requested that Israel halt construction of the wall, demolish the completed portions of it, and pay compensation to all those affected, including the residents of East Jerusalem and its environs.

The settlements built by the occupation authorities on Palestinian land violate international law and pose one of the greatest threats to existing and future development in the State of Palestine. The settlements and their infrastructure dismember the territory of the State of Palestine and endanger the future of the two-State solution, in addition to preventing Palestinians from using their resources, particularly agricultural land and water, which are controlled by the settlements.[6] Settlement-based Jewish terrorist organizations known as "price tag groups" target Palestinians and their property. They have also contributed to polluting the Palestinian environment. By the end of 2012, there were 144 settlements with some 563,000 inhabitants.

Several international reports[7] have shown that movement restrictions imposed by the occupation authorities, whether by permanent or ad-hoc checkpoints, endanger development in Palestine. Palestinians are banned from using certain roads, which the occupation authorities have reserved for their settlers. Instead, they are forced to use long and dangerous alternative routes.

[6] For more details, see: Ministry of Planning and Administrative Development (2012), Sustainable Development Under Israeli Occupation: Achievements and Challenges — Palestine's Report to the United Nations Conference on Development, Rio de Janeiro, 20-22 June 2012, Ramallah, Palestine.

[7] For more details on monitoring the impact of occupation on the Occupied Palestinian Territory, see: Ministry of Planning and Administrative Development (2011), The social repercussions of Israeli occupation on the inhabitants of the Occupied Palestinian Territory, including Jerusalem, 2010, Ramallah, Palestine.

Since the occupation is the primary obstacle to development in the State of Palestine, freedom, independence and sovereignty of the State of Palestine over its land, resources and crossings are prerequisites to achieving development. The international community must therefore shoulder its direct and practical responsibility to ensure respect for international law and international resolutions calling for an end to colonialism; protect the right of peoples to self-determination and the right of the Palestinian people to development and control over its resources; and place immediate pressure on Israel to put an end to its practices, which erode any development achievements on the ground. In the medium term, it must act to change the de facto situation imposed by the Israeli occupation authorities in violation of international law and United Nations resolutions, thereby reviving hope in the option of a Palestinian State.

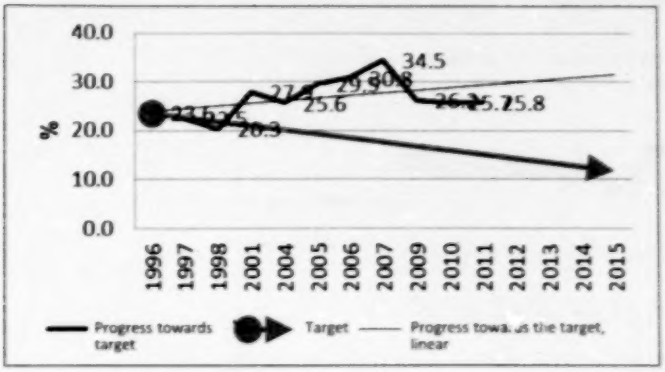
The second level: Poverty, employment and natural resources

1. Despite efforts, poverty and unemployment rates are increasing

Persistent high poverty rates are a significant challenge to Palestine's national development process. Despite ongoing efforts and development and relief programmes aimed at poverty eradication, no genuine improvement has been made since 1996, the year in which the first poverty data became available. According to monthly consumption patterns, the poverty rate came to 23.6 per cent, and 25.8 per cent in 2011. It should be noted that these estimates are conservative and lower than the actual rates, as income poverty measured by consumption always yields conservative results. Moreover, poverty in Palestine is not linked to income alone; it encompasses all aspects of deprivation and violation of rights, factors that income poverty does not take into account.

The table below shows that Palestine is far from achieving the goal. That situation is closely connected with the occupation and the absence of a national State with full capacities and powers and of an integrated national economy. The general trend has been one of growing poverty rates in Palestine. The growth of poverty in Palestine is consistent with the overall condition of the "national economy". After limited successes until 1999, the Palestinian economy contracted significantly in 2002, with the per capita GDP declining by 40 per cent between those dates. The table below illustrates the severe fluctuation in the per capita per person employed of GDP, and its link to overall political and security developments in Palestine. The figures were taken from 2004 as the base year.

Percentage of the population living under the national poverty line, 1996-2011



Poverty rates declined from 1997 to 1999, when the occupation authorities eased restrictions on Palestinian economic activity and international stakeholders committed to providing development assistance to the Palestinian National Authority. During the period that followed the second Intifada in 2000, economic activity contracted severely as a result of, among other factors, the Israeli occupation authorities' incursions into the West Bank, their stringent blockade on the Gaza Strip, the ban on Palestinian workers within the State of Israel, the halt of a significant amount of foreign assistance.

Turning to the target of full and productive employment and decent work for all, including women and the young, high unemployment rates continue to pose a major development challenge in the State of Palestine, which is a long way from achieving the target owing to the reasons mentioned above. Unemployment rates dropped between 1995 and 1999 (from 18.2 per cent to 11.8 per cent),[8] but then began to rise. The unemployment rate of members of the work force reached 25.2 per cent in the fourth quarter of 2013. There also remains a large discrepancy in employment rates between the West Bank and the Gaza Strip; in the fourth quarter of 2013, the figure stood at 18.2 per cent for the former and 38.5 per cent for the latter. A large gap persists between male and female unemployment rates, at 23.1 per cent for men and 33.5 per cent for women. The highest unemployment rates were found among young people between the ages of 20 and 24, across genders, with 43.1 per cent overall, 35 per cent among men and 74.8 per cent among women.[9] These figures have been calculated according to the definition used by the International Labour Organization and do not include those who have given up looking for work, or those who work part-time in marginal jobs.

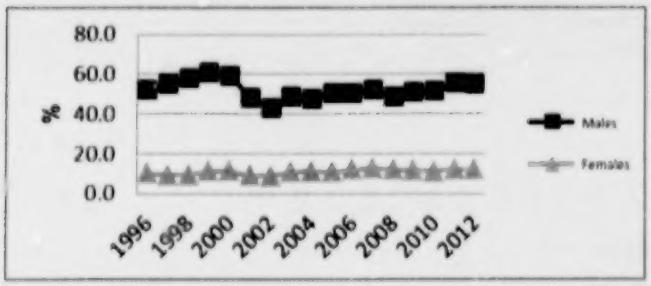
The following table illustrates the fluctuating ratio of workers to population for both genders. In both cases, the figure is lower than it was in 2000. The gender gap remains wide, and no significant achievement has been made in this area. Poverty among working families remains high, at 21.9 per cent, or roughly a third of

[8] Palestinian National Authority, Ministry of Planning and Administrative Development (2010). Report on the Millennium Development Goals, Ramallah, Palestine, p. 4.

[9] State of Palestine (2014), National Development Plan 2014-2016.

the overall poor. The poverty rate among the unemployed is 48.8 per cent, or 14.4 per cent of the overall poor.[10]

Ratio of workers to population, by gender



With regard to achieving decent work, the State of Palestine has set a minimum wage through consensus with social partners. Nevertheless, 22 per cent[11] of workers in the local private sector continue to earn a monthly salary below the minimum wage.

16.3 per cent of workers in the West Bank are working in the Israeli economy, roughly a third of them without a permit. They are forced to take dangerous routes to reach their workplaces, and are vulnerable to harassment by the Israeli Army while on their way and by the Israeli police and security services while inside Israel. Their working conditions amount to slavery. They are exploited and swindled by their bosses, left unpaid and threatened with being turned in to the police if they persistently ask for payment.

The State of Palestine has not been able to lower food insecurity rates, which have fluctuated. After a modest improvement in 2011, the percentage of families suffering from food insecurity increased again. In 2012, 34 per cent of Palestinian families were affected by food insecurity, 57 per cent in the Gaza Strip and 19 per cent in the West Bank, compared to 27 per cent in 2011, with 44 per cent in the Gaza Strip and 16 per cent in the West Bank. In 2009, those figures were 36 per cent at the national level, 60 per cent in the Gaza Strip and 22 per cent in the West Bank.[12]

Food security levels improved somewhat from 2009 to 2011 as a result of cash and in-kind assistance from Palestinian National Authority remittance programmes, which reached a growing number of people, and from international institutions, especially in the Gaza Strip.[13] The conclusion of a recent study on food security in the Gaza Strip can be applied to the Palestinian Territory as a whole. The study concluded that two interrelated factors influence food security trends and the

[10] Palestinian Central Bureau of Statistics (2012). Household Expenditure and Consumption Survey: Living Standards in the Palestinian Territory — Consumption, Expenditure and Poverty 2011. Ramallah, Palestine, p. 92.

[11] Palestinian Central Bureau of Statistics (2014). Labour Force Survey (October-December 2013) — fourth quarter, press conference.

[12] Palestine Economic Policy Research Institute (MAS), 2012. Food Security Bulletin, Issue 7, Ramallah, Palestine.

[13] Palestinian National Authority (2012) National Strategy to Achieve the MDGs by 2015, Ramallah, Palestine.

agriculture sector, namely, the Israeli occupation and the funding trends of donor countries.[14]

The State of Palestine is committed to combating poverty and has, in recent years worked to reform the social security network and to strengthen its capacity to provide social assistance. In order to ensure that assistance reaches the intended recipients, the Government has reviewed and developed its mechanisms for identifying beneficiaries and quantifying cash payments. Social assistance programmes are being implemented in Palestine through active partnership between the Palestinian Government, its local development partners and international agencies working in Palestine, especially the World Food Programme. These programmes are primarily financed by international assistance, especially from the European Union, the World Bank and the Islamic Development Bank. Direct assistance has reduced national poverty rates by an estimated 18.1 per cent, and it has contributed to reducing individual extreme poverty by an estimated 29.1 per cent.

However, despite the array of support programmes implemented by the State of Palestine and the international community (the European Union, the World Bank, the Islamic Development Bank and relevant United Nations agencies), the results have been modest, and the goal of poverty eradication remains unattainable in the short term. Some causes of poverty and certain important factors, particularly resources, are out of the Palestinians' control.

The Government will work to implement the following policy priorities in that area over the next three years:

- Complete the construction of rights-based, integrated social protection systems that provide quality services, with the aim of ensuring decent living conditions and opportunities for all, especially the poor, persons with disabilities, children, the young, women and the aged;
- Continue to provide services, care and rehabilitation to prisoners and former prisoners, martyrs' families, the wounded and their families in all locations;
- Bridge the development gap and regional disparities, especially in areas controlled by the occupation authorities: Area C, residential compounds adjacent to the wall, East Jerusalem and the Gaza Strip;
- Develop a national social security system that strengthens intergenerational solidarity and gives priority to the poor and marginalized;
- Develop institution building, legal frameworks and governance in the social protection sector, strengthen decentralization and deepen the ties between service providers in the governmental and non-governmental sectors and United Nations and other international institutions;
- Work systematically and progressively to shift the focus of the poverty eradication philosophy from relief programmes to development initiatives by strengthening the ties between humanitarian and development assistance, investing in economic empowerment and fostering the capacity for self-reliance among poor and marginalized families.

[14] Palestine Economic Policy Research Institute (MAS), 2013, Food Security Bulletin, Issue 8, Ramallah, Palestine.

Poverty eradication policies currently emphasize relief, care and distribution. This is partly a result of the crucial reality of the occupation, the incompleteness of the State and the national economy and the loss of control over resources. In such a situation, the Palestinian National Authority has only limited room for manoeuvre in tackling poverty and its most serious effects. Empowerment policies focused on the systemic causes of poverty remain a distant prospect.

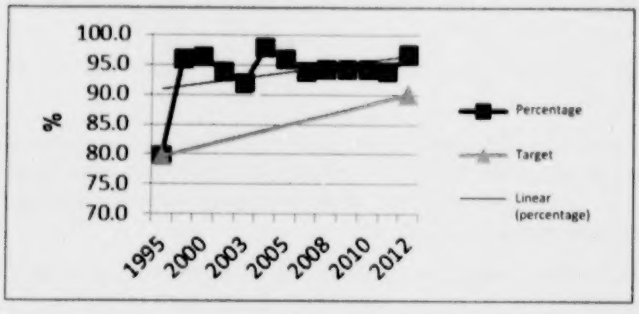
2. Ensuring environmental sustainability: we do not have control over resources

As a country directly affected by climate change, Palestine needs to confront the problem and put in place climate change adaptation policies. As is the case with other Arab and developing countries, climate change affects us more than we affect it.

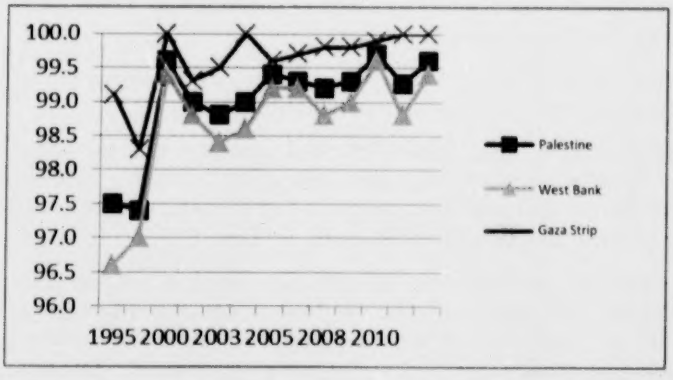
Another significant challenge is pollution; creating a cleaner environment is a pivotal area for action.

Between 1995 and 2012, the State of Palestine has reduced by 83 per cent the number of people without regular access to improved water sources. The population with access to proper sanitation services increased from 97.5 per cent to 99.6 per cent, meaning that the percentage without such access fell by 84 per cent.

Proportion of the population consistently able to obtain improved water source



Proportion of the population able to reach proper sanitation facilities



However, these results conceal the major deficiency in the quantity and quality of water resources available to Palestinians, owing to the occupation authorities' control over water. Moreover, there is no integrated waste water treatment system,

and untreated waste water poses a long-term threat to the Palestinian environment. Reports indicate that per capita water consumption for Palestinians is 135 litres per day, as opposed to 353 litres per day for Israelis. Consumption by West Bank settlers, at around 900 litres per day, is over seven times that of Palestinian citizens.

In 2013, the quality of water used by 48.8 per cent of families was found to be good. The figure varies greatly according to area, at 73.5 per cent in the West Bank versus 5.8 per cent in the Gaza Strip. The low figure recorded for the Gaza Strip can be attributed to rise in water salinity and lack of regulation by local authorities. In 2013, 27 per cent of families in Palestine were supplied with water on a daily basis, bringing the percentage of families with access to water supply three to seven days a week nationwide to 51.3 per cent.[15]

Overview of the water sector

At present, groundwater is the main source of water for Palestinians, as they are denied their right to water from the Jordan River. Owing to Israeli projects to change the course of the river, its flow has dwindled to around 2 per cent of historic levels, and most of that is untreated sewage. This has had a negative impact on the Dead Sea, whose level has declined steadily by more than half. The Palestinian population has grown, while its water volume allocation under the Oslo Accords has remained constant. The effect on per capita Palestinian water consumption has been considerable: in 2012, the figure was 76.4 litres per person per day in 2012 in the West Bank and 60 to 70 litres per person per day in the Gaza Strip. Over 94 per cent of the water in the Gaza Strip does not meet WHO standards, and the volume is below the WHO recommended minimum of 100 litres per person per day. Based on data for 2012, less than 15 per cent of the water extracted from groundwater basins in the West Bank goes to Palestinians; the remaining 85 per cent or more is taken by the Israeli occupation authorities. Palestinians have been prevented from drawing water from the Jordan River since 1967.

There is a need for a political decision to rectify the damage done by article 40 of the Oslo Agreement and the political damage done by the current situation in the Gaza Strip. The international community must be prevailed upon to pressure the Israeli side to extend control of the Palestinian water sector, to restore infrastructure with a view to reducing waste, and to expand service in line with a clear investment plan. A clear strategy should be determined for negotiations with the Israeli side to reduce pollution resulting from sewage produced by the settlements.

From 2014 to 2016, the Palestinian Government will focus on supporting and investing in the environmental and natural resources, in view of the importance of

[15] Palestine Central Bureau of Statistics, 2014. Palestine Central Bureau of Statistics and Palestinian Water Authority issue a press release on World Water Day, 22 March 2014.

that sector. The Government will work, within its capacities, to implement the following priorities:

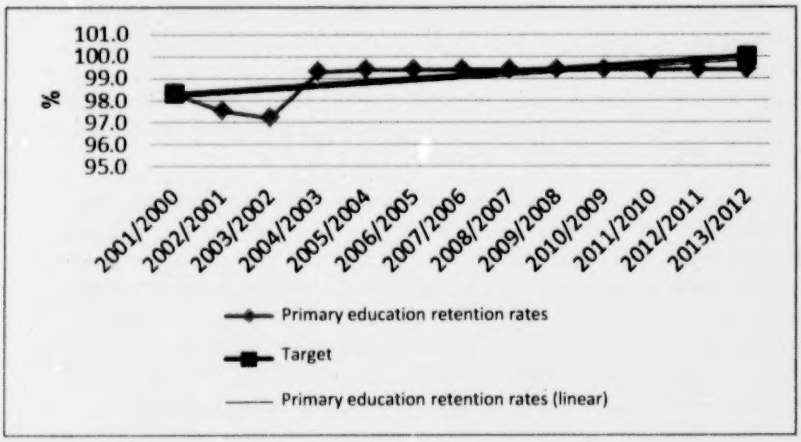
- Identify the sources of pollution and build capacities to address emergency situations and environmental disasters;
- Improve systems for the management of liquid, solid and hazardous wastes;
- Protect the beauty of the landscape, preserve cultural heritage and restore and manage nature reserves and the coastline;
- Regulate the sustainable uses of land and exploitation of natural resources;
- Combat desertification and strengthen climate change adaptation measures;
- Foster behaviour aimed at protecting the environment and raise awareness of the issue;
- Develop and update the legal and institutional framework regulating the environmental sector.

Level 3: Realizing the goals: achievements and challenges

1. Tangible progress towards achieving universal primary education

Palestine has made tangible progress on quantitative educational indicators, surpassing many countries in the region, and indeed, the world. One example is gender equality in enrolment rates at each level of school education; at some grades, girls' enrolment exceeds that of boys.

Primary education retention rates



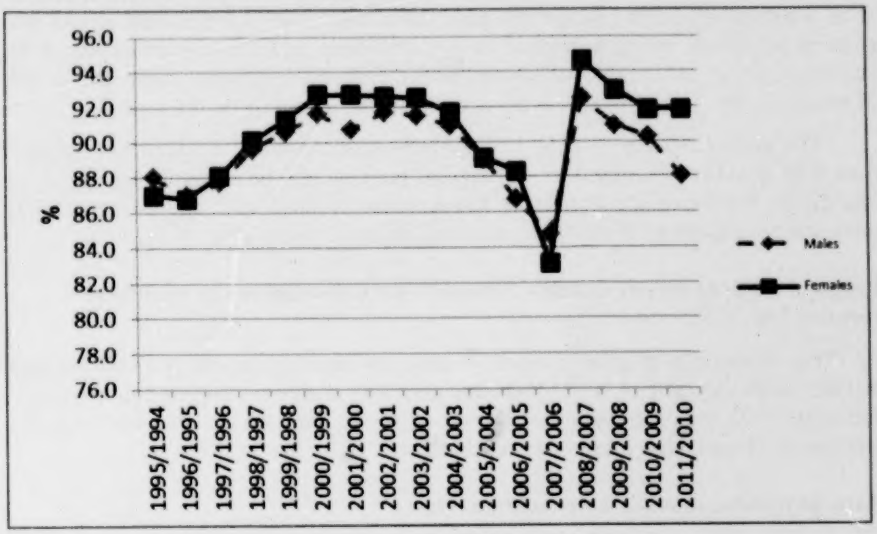
Source: http://www.pcbs.gov.ps/site/994/Default.aspx.

Basic education in Palestine is compulsory until the tenth grade of primary school. Among pupils aged six to 10, across both genders, there is a net primary education enrolment rate of 94.4 per cent and a retention rate of 88.5 per cent.[16]

[16] Source: Database, Ministry of Education and Higher Education.

Palestine has enacted a set of policies and measures to ensure universal enrolment at that level of education.

Net enrolment in first level of primary education



Reading and writing ability rates among young persons aged 15 to 24 are high, at almost 100 per cent for both genders. Reading and writing proficiency among adults in 2012 were also high at 95.6 per cent across genders, 98.1 per cent among men and 93.1 per cent among women. These achievements are significant compared to other countries in the region.

Girls' enrolment rates exceed those of boys

By the end of the 2012-2013 year, the rate of total enrolment in the first year of primary school was 99.7 per cent (99.3 per cent for boys and 100.1 per cent for girls). In 2011-2012, it was 100.6 per cent overall (100.4 per cent for boys and 100.8 per cent for girls). By the age of six, most children had therefore enrolled in school, and the Education For All targets had been met for both genders. In 2012-2013, the enrolment rate was 94.4 per cent (93.1 per cent for boys and 95.9 per cent for girls) for primary school and 73.5 per cent (64.9 per cent for boys and 82.5 per cent for girls) for secondary school.[17]

Based on analysis of the current situation, Palestine has focused on improving enrolment rates of persons with disabilities; a mere 45 per cent of persons with

[17] State of Palestine, Ministry of Education and Higher Education (2014) Education Development Strategic Plan 2014-2019, Ramallah, Palestine.

disabilities aged between six and 10 years were enrolled in school.[18] Policies and measures are needed in order to remedy that situation.

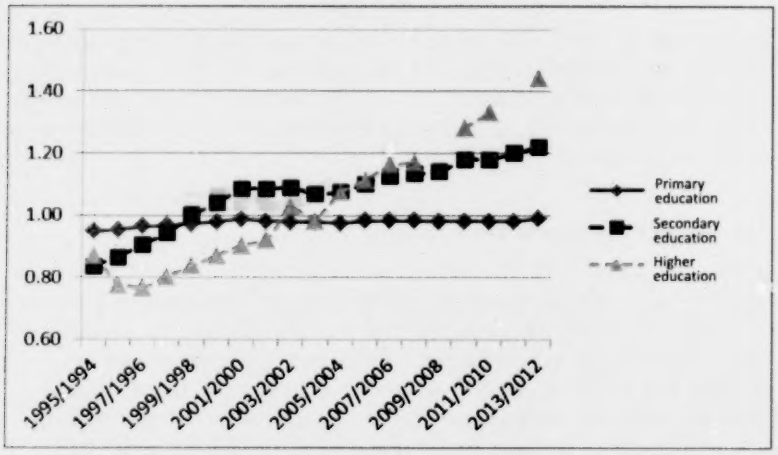
Despite the progress made in quantitative educational indicators, two issues have yet to be addressed, namely, preschool education and overall education quality. With regard to preschool education, data show that only 33.8 per cent of children enrol in preschool, owing to several factors, including poverty, low living standards, unavailability or remoteness of kindergartens in some residential compounds, lack of transport, and fear of Israeli Army actions and checkpoints on the road.

The main challenge will be to improve education quality, which has not kept pace with quantitative indicators. A range of policies will be required. For example, Palestinian results in the Trends in International Mathematics and Science Study international examination do not measure up to our expectations.

2. Progress towards gender equality: women's participation in the workforce remains low

The proportion of girls enrolled in basic education increased from 95 per cent in 1995 to 99 per cent in 2012. More females than males are enrolled in secondary education (122 girls for every 100 boys) and higher education (144 girls for every 100 boys). The goal has therefore been achieved.

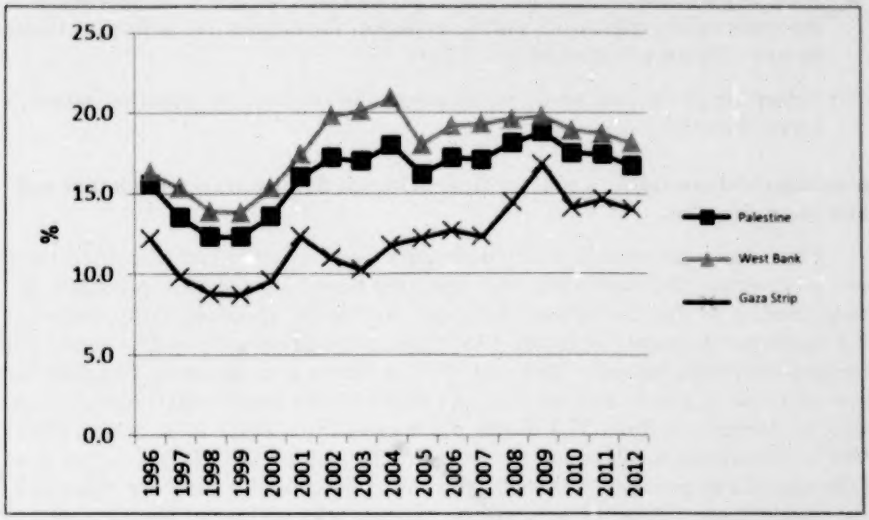
Ratio of females to males by educational level



The percentage of women in wage employment in the non-agricultural sector has improved slightly, from 15.6 per cent in 1996 to 16.7 per cent in 2012. Table 6 reveals a disparity between the West Bank and the Gaza Strip: 29 per cent more women are in wage employment in the non-agricultural sector in the West Bank than in Gaza.

[18] Source: Database, Ministry of Education and Higher Education.

Proportion of women in wage employment in the non-agricultural sector by area



Note: The improvement that occurred in 2003 and 2004 resulted from an unprecedented rise in unemployment. Men were particularly affected by exclusion from the Israeli labour market and of reduced employment opportunities in the Palestinian economy, especially in the construction industry. Although the women's participation in the labour force has risen from 12.3 per cent in 2000 to 17.3 per cent by the end of 2013, it remains low compared with the male labour force participation rate, which stands at 70 per cent.

The imposition of quotas in parliamentary and local elections has helped increase women's participation in political and public life. In the 2006 parliamentary elections, female candidates won 12.9 per cent of seats in the Legislative Council, taking 12 and 15 per cent of seats in the West Bank and Gaza, respectively. In local elections held in 2004 and 2005, 30 per cent of candidates were female. Women also won 18 per cent of seats in local assemblies. In the 2012 local elections, which were held only in the West Bank, women won 20.6 per cent of seats.

Policy priorities for the next stage in this area include:

- Strengthening legislation to promote gender parity and comprehensively reviewing current laws, legal instruments and regulations to ensure that they protect women's rights;
- Tackling gender issues in national and sector-based policies and in public programmes and budgets, and strengthening gender-based accountability and oversight mechanisms;
- Coordinating steps to promote women's participation in the labour force, providing decent employment opportunities for women and men on an equal footing in all productive sectors, and facilitating women's access to concessional lending services;
- Protecting women from all forms of violence, facilitating their access to justice and upholding their rights, with particular reference to marginalized

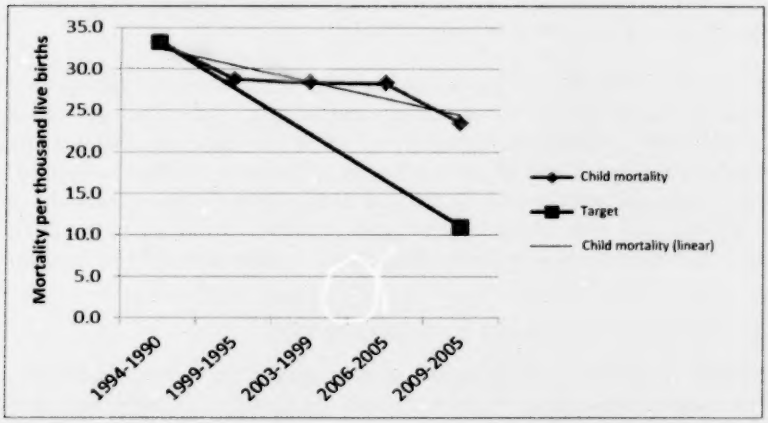
women in the Gaza Strip, East Jerusalem, rural areas and areas adjacent to the wall; in particular, redoubling efforts to safeguard women from repression at the hands of the oppression and the impact of the occupation, with a particular focus on female prisoners in Israeli jails;

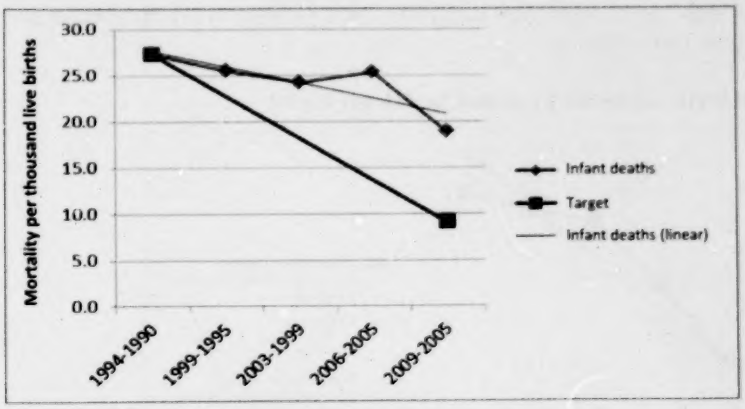
- Enhancing gender sensitivity social and public services, and ensuring women's access thereto.

3. Reducing child mortality: a goal far from achieved despite decreasing infant and child mortality rates

There has been overall steady downward trend in child and infant mortality rates in Palestine. Between 1990 and 1994, the period immediately preceding the establishment of the Palestinian National Authority, child mortality stood at 33.2 deaths per thousand live births. That figure declined annually to 23.4 deaths per thousand live births between 2005 and 2009, a 30 per cent decrease. This falls far short of Goal 4, which requires a reduction of 66 per cent. Infant mortality has fallen by 31 per cent, from 27.3 deaths per thousand live births in the period 1990-1994 to 18.9 deaths per thousand live births in the period 2005-2009 — again short of the target of 66 per cent. Although child and infant mortality rates are improving, they remain high. Further efforts will be needed, with particular emphasis on the causes of infant and child mortality, including prenatal diseases, congenital malformations and respiratory infections.

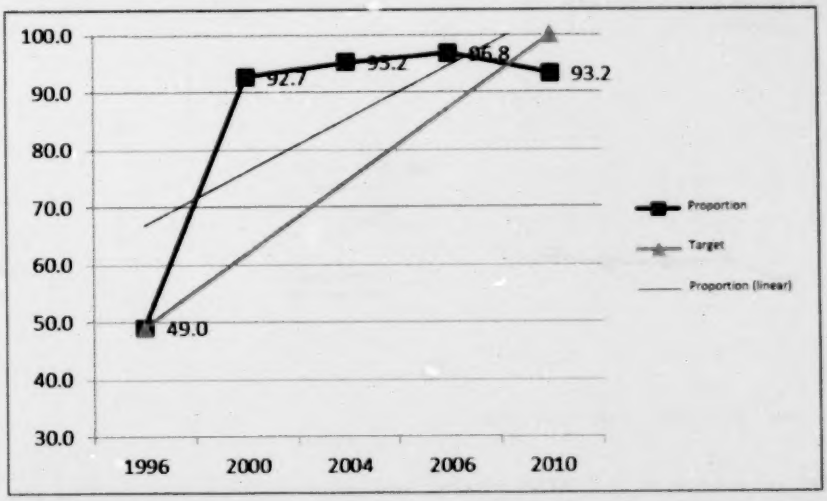
Mortality rates of children under five





The percentage of children under one year of age receiving a measles vaccine increased from 49.0 per cent in 1996 to 96.8 per cent in 2006, but declined in 2010 to 93.2 per cent. Palestine is close to meeting the established target.

Proportion of one-year-old children immunized against measles



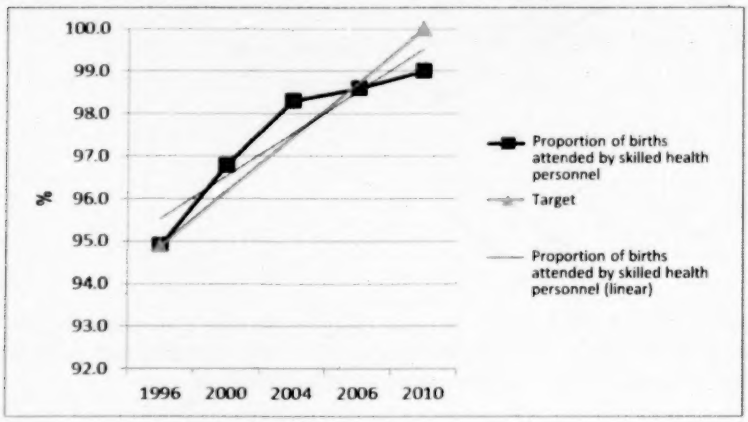
Turning to the target of achieving, by 2015, universal access to reproductive health, 95.4 per cent of pregnant women received four or more antenatal care visits in 2010 and 98.4 per cent of births in 2010 were attended by skilled health personnel. Access to post-natal care remained low at only 38.4 per cent. Inadequate access to post-natal care may exacerbate maternal, infant and child mortality rates. Efforts must therefore be made to improve post-natal care for women.

The national contraception prevalence rate stood at 52.5 per cent in 2010, with 55.1 per cent of women in the West Bank and 48.2 per cent of women in the Gaza Strip using modern methods of family planning.[19] In 2010, the unmet family

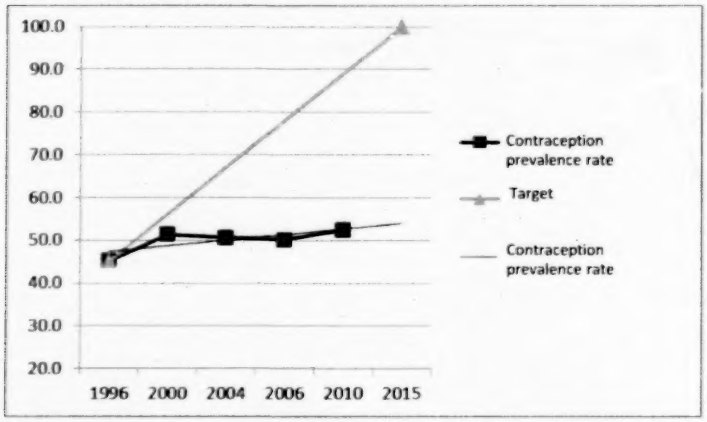
[19] Palestinian Central Bureau of Statistics, MDGs Indicators Data in Palestine, 1994-2012, http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/MDGsPal_2013_Arabic.pdf.

planning need stood at 15.6 per cent nationally, 14.7 per cent in the West Bank and 17 per cent in the Gaza Strip.[20]

Proportion of births attended by skilled health personnel



Contraception prevalence rate



The prevalence of HIV/AIDS remains low, with 72 cases registered by the Ministry of Health in 2011. HIV tests are provided free of charge and persons infected with the virus are monitored. Most infectious diseases have been eradicated from Palestine thanks to vaccination campaigns and early-detection programmes. A successful immunization campaign against Hepatitis has been carried out in recent years.

Following an analysis of heath in Palestine, national policies have focused on improving long-term social health. However, the Palestinian health sector faces significant obstacles imposed by the Israeli occupation authorities, which impede all citizens' equitable access to health-care services. These include permanent and ad hoc roadblocks, the annexation and expansion wall, and restrictions on the

[20] Ibid.

construction of health clinics in Area C. Despite these constraints, Palestine has managed to significantly improve primary health-care services wherever it has been able to circumvent Israeli restrictions. Successes included the immunization of all children and the construction and renovation of primary health-care centres. Secondary and tertiary health-care services have also been improved.

Data shows that Palestine is undergoing an epidemiological transition as chronic diseases become more prevalent within the various components of Palestinian society, particularly women. This issue now requires particular attention. Mental health issues have not been adequately studied; the few serious studies of the topic highlight serious problems that stem directly from the occupation, warfare, and the ongoing chronic violence, all of which, even if their full impact is as yet unclear, have had a profound negative effect on Palestinians' mental, societal and physical well-being. According to conservative estimates, 7 per cent of the population is disabled, and thousands current and former prisoners in Israeli occupation jails suffer from grave mental, physical and social problems. We should not, perhaps, focus exclusively on the progress achieved in primary health care for women and children. Although that progress is extremely important and must be sustained, it constitutes only a partial success that may prove impossible to duplicate in the health-care sector as a whole. We remain, however, extremely proud of our successes in health care and will strive to ensure their sustainability and scalability.

In that connection, the State of Palestine will endeavour to implement the following policy priorities in the next few years:

- Providing the best possible physical and mental health services, which are a human right; enhancing access to high-quality health-care services for all sectors of the population including, in particular, the poor and marginalized in all areas, especially remote areas, areas adjacent to the annexation wall, Area C, East Jerusalem and the Gaza Strip, and; upholding the principle of health care for all;

- More effectively managing chronic diseases, which are a considerable burden on the health care system, by strengthening early detection mechanisms, improving preventative health-care services and raising public awareness of healthy lifestyles;

- Strengthening the institutional framework and health-care governance by promoting institutional capacity-building, improving oversight of the health-care system, and working closely with relevant stakeholders, particularly university medical schools and nursing institutes, to train qualified staff who can provide high-quality services, with a view to reducing financial and operational dependence on external assistance, fostering self-sufficiency, keeping transfers to a minimum and promoting gender parity in health programmes and services;

- Constantly improving primary and general health-care services, especially maternal and child health care, and reproductive, mental, community and family health. Particular attention will be given to post-natal health care services for women;

- Developing partnerships and improving coordination and information sharing among providers across health-care fields.

Develop a global partnership for development

The State of Palestine has demonstrated its strong commitment to an open trade and financial system based on good governance principles. It has adopted modern legislation that, inter alia, protects human rights and upholds international standards. The State of Palestine is working to achieve the MDGs and has integrated them into its national, sectoral and cross-sectoral plans.

The establishment of an independent and sovereign State of Palestine will undoubtedly promote our society's development and enable it to build on its developmental achievements, particularly when that State is territorially contiguous and controls its resources, when Jerusalem is restored as capital and heart of the State of Palestine, when Palestinians freedom to trade with the countries of the world, a freedom of movement of people and goods and freedom to invest in Palestinian land and resources.

In that connection, and as part of its State-building efforts, Palestine has been striving to enhance its financial aid oversight mechanisms, minimize its dependence on international aid and promote self-sufficiency. However, for the foreseeable future, while Palestine remains under occupation, and economic recovery continues to be undermined by fallout of the financial crisis and restrictions on the movement of people and goods, international financial support for the State of Palestine will remain critical in order to safeguard the successes so far achieved.

Palestine is highly dependent on international assistance, which constituted 31 per cent of GDP in 2010. However, although international financial assistance for to Palestine increased up to that date, it has since declined.

Of the $2.5 billion provided as financial assistance, $1.15 billion, the lion's share, is being used to support the current budget, $590 million has been set aside for emergency humanitarian assistance and $750 million has been earmarked for investment in development. That situation is expected to continue along with the ongoing occupation and humanitarian crisis.

The available data reveals a lack of balance in the support given to development projects: more than half of the funds made available for development in 2011 were earmarked for the security and justice sectors. Contrary to national priorities, most financial assistance from abroad is used in those two sectors. Enhanced coordination and follow-up with donors is required to ensure that assistance is effectively managed and addresses national priorities. The focus on security and justice reflects agendas that are not fully consistent with national priorities, and are intended to provide additional security guarantees to Israel.

The primary responsibility of the international community is to provide the necessary political support for the establishment of an independent State of Palestine by the bringing pressure to bear on the occupying State to ends its occupation of Palestinian land and lift its restrictions on Palestinian society. The international community must also continue to provide technical and financial support to ensure the sustainability of the development goals.

In the immediate future, the international community must protect Palestinian resources and enable the Palestinian people to exploit and invest in them in order to promote national prosperity. It must redouble its efforts to protect Palestinians and continue its partnership role with a view to formulating and enhancing assistance

programmes. Safeguarding and ensuring the long-term viability of the fragile achievements in various sectors will require continuing short-term technical and financial support from abroad. In the medium to long term, action must be taken to remove the obstacles to the establishment of an independent national State and the realization of the right to development.

Development aspirations

In addition to the challenges outlined above, the priorities for action in the next phase are as follows:

1. Building on the achievement of international recognition of Palestine as a non-member observer State on all the Palestinian land occupied by Israel in 1967, and revitalizing the Palestinian struggle, whose key objective is now to end the occupation and implement United Nations resolutions on the ground through the establishment an independent and sovereign State on all the Palestinian lands occupied in 1967. We do not believe this is merely a political matter; instead we see it as a moral and rights-based duty under international law and the fulfilment of the obligation to uphold peoples' fundamental human right to development and self-determination. Further concerted diplomatic efforts will be needed to pave the way for Palestine's accession to a range of international organizations in order to address the question of Palestine in every forum, garner support for the preservation of its key national development achievements.

2. Combating poverty and unemployment through development, rather than by depending on assistance. The aim should be to ensure that development initiatives are sustainable by strengthening individuals' and families' income generation potential. For the foreseeable future, job creation and development projects, particularly small scale projects, may be the most appropriate ways to tackle poverty and enhance food security. Poverty must be addressed as a multidimensional phenomenon alongside health, education, services and employment. As emphasized in international and regional development literature, development cannot combat poverty effectively or sustainably without addressing its underlying causes, including those directly related to the occupation of Palestine and those related to the national and international dimensions of macroeconomic policy.

3. Addressing the needs of specific sectors of society, including, in particular young people and women, enhancing their capacities and placing them at the forefront of development projects. Although young people constitute approximately 30 per cent of the population, their involvement in public life is limited by a number of political, economic, cultural and social factors. Young people have been hit particularly hard by the economic downturn, and approximately one third of those aged between 15 and 29 are unemployed. The State of Palestine is encouraging young people to engage positively with society and is working to end their social alienation. It is endeavouring to reduce emigration among young people, particularly those living in marginalized areas and in East Jerusalem. Palestine has also adopted the same approach with regard to women, who face particular obstacles in fulfilling a more active role in development. Moreover, the occupation and the response to it have propagated a culture of violence. The resulting family and societal breakdown has endangered social cohesion and exacerbated a culture that is hostile to women, their roles and their rights.

In submitting the present report on development in the country, the State of Palestine aspires to achieve fully its legitimate right to development at all levels and in all sectors. It hopes that the international community will strengthen the country's development potential and safeguard its achievements by upholding the international resolutions that guarantee Palestine's right to exist as a viable State that aspires to play a positive role on the world stage. Palestine hopes to capitalize on the United Nations' declaration of 2014 as the International Year of Solidarity with the Palestinian People. All of those aspirations are contingent on the international community's efforts to safeguard and sustain Palestine's development successes.

Upholding justice, allowing the Palestinians to exercise their legitimate national, economic and social rights and achieving a just and comprehensive peace guaranteeing those rights, will promote peace, security and stability in the Arab region, the wider Mediterranean area and the world.

Conversely, failure to seize the chance for peace on the basis of international law and justice in Palestine would mean wasting an opportunity to strengthen global peace and a culture of justice.